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TESTIMONY OF RICHARD A. SODERMAN  
THE CONNECTICUT LIGHT AND POWER COMPANY  
and YANKEE GAS SERVICES COMPANY  
Energy and Technology Committee—March 9, 2010

**H. B. No. 5465 (RAISED) AN ACT CONCERNING THE DEVELOPMENT OF GREEN JOBS.**

The proposed bill includes several provisions related to green jobs. We are supportive of many of the provisions in the proposed bill, and offer comments on several sections, as follows.

As you know, we have been a substantial supporter and implementer of green jobs, and Connecticut's energy efficiency programs have been a significant energy policy success. Connecticut is nationally recognized for its leadership and innovations in these programs. These programs are managed and administrated by regulated utilities, with oversight by the Energy Conservation Management Board and the DPUC. Our programs are transforming our State's productivity and enhancing the energy efficiency of existing and future homes:

- Saving our customers about \$4 in electric system benefits for every \$1 invested in energy efficiency;
- \$774 M in future energy savings by means of 2008 program expenditures;
- 2.4 M tons of CO<sub>2</sub> not released in 2008;
- 23,202 participants = 211,282,289 lifetime kWh savings per household;
- 3,697 kW (summer) savings for 2009.

The programs are delivered to customers through the engagement of numerous private energy efficiency vendors. These initiatives have resulted in a vibrant GREEN JOBS program - years before green jobs became popular. Current program operations require more than 2,500 individuals trained in a number of skilled disciplines, such as:

- Energy Auditors
- HVAC and Refrigeration Technicians
- Electricians



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- Weatherization Technicians
- Energy Efficiency Entrepreneurs
- Engineers.

When induced/indirect jobs are factored into the picture, nearly 7,000 jobs have been created, the vast majority of which are Connecticut based.

As practical matter, energy efficiency is one of the few ways that customers can manage their electric bills, even when they are faced with high rates.

We support Section 4 that creates a Green Jobs Advisory Board, and that the board would include representatives of electric distribution companies. We believe that we can serve as a resource and contributor to the board. We suggest that the Board's duties could be expanded to include a comprehensive review and assessment of existing green strategies in place here in Connecticut as well as strategies and options for achieving energy policy goals. By doing so, the state could have a unified, balanced, effective and least-costly approach to its energy future. If the Committee wishes to consider this recommendation, we suggest that another subsection be added, as follows:

“(c) The Green Jobs Advisory Board shall review, examine and assess the various policies programs and regulations enacted within Connecticut related to clean energy, renewables, energy efficiency and demand management, greenhouse gas and carbon emissions reductions, and other related programs to determine the current state of activity, program success, costs and benefits, rate impacts, job creation and losses, and areas for improvement. The review shall include consideration of federal policies and regulations that may impact or coexist with those of the state. The Board shall report its findings, along with recommendations for changes, to the committee having cognizance over energy matters no later than November 30, 2010.”



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Section 6 modifies current law to provide for demonstration projects related to plug-in electric vehicles. CL&P is already an active participant in the Governor's Electric Vehicles Infrastructure Council. Established in November 2009 by Executive Order No. 34, the Council has been tasked with preparing the state for a rapid and seamless integration of electric vehicles into the market. A final report is due to the Governor on September 1, 2010.

At this point in time, it appears appropriate to permit the Council to complete its work before determining the best approaches and processes for supporting an electric vehicle infrastructure. Many of the issues focus on consumer protection, cost recovery and sources of funding, which may require regulatory input and perhaps addressed at the DPUC. Thus, we suggest that reallocation of funds and focus should await the recommendations of the Council.

We note that Section 17 of the proposed bill seeks to increase requirements from Class III renewables (which includes energy efficiency) from 4% to 20% over time. This is one approach, but it is unclear whether this would be the most efficient means of getting greater energy efficiency and green jobs delivered to Connecticut. One of the difficulties we have learned about energy efficiency is that it is difficult to sustain jobs with a funding source that is unstable. The provision affecting the levels of Class III renewables could lead to that instability because it would be unclear whether efficiency additions would be driven by market forces or direct payments arising from the alternative compliance payment mechanism.

We think a more direct means of increasing energy efficiency and green jobs is to increase the funding of our current menu of energy efficiency programs. As required by law, the utilities recently submitted an Integrated Resource Plan to the Connecticut Energy Advisory Board. That plan recognizes the cost effectiveness of energy efficiency, and suggests that even further increased funding would be cost effective. The studies tested increased funding levels of \$19 million and \$59 million per year. Both cases were cost effective, and the lower funding level actually provided net benefits to both participants and non-participants.



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Thus, there are programs designed and ready to implement should policy makers consider additional funding for energy efficiency as a vehicle for creating green jobs. We have recommended that higher funding levels be ramped up over the next few years so that our economy can have time to recover from the recession and be better able to absorb such higher near-term costs. A rough estimate of direct jobs created from this higher level of funding amount to perhaps 500-1,500 new green jobs from these two funding levels.

We support Section 19, which would provide for electric distribution companies to develop renewable energy projects. We believe that our customers appreciate our advice and participation in their energy decisions and investments.

Thank you for the opportunity to provide testimony on this bill.